

Title 10 – DEPARTMENT OF NATURAL Resources
Division 140 – Division of Energy
Chapter 2- Energy Set-Aside Fund

IN ADDITION

Notification: Applications Accepted for Energy-Efficiency Loan Cycle

The Missouri Department of Natural Resources' Division of Energy's Revolving Loan Fund provides loans to public schools, universities, colleges, cities, counties, public hospitals and water treatment plants to help reduce energy costs. Loan financing may be used for energy-saving investments such as insulation, lighting systems, heating and cooling systems, windows and other measures that reduce energy use and cost.

Loan recipients will benefit from reduced energy cost and increased comfort of building occupants. Loan financing frees up tax dollars that school districts, higher education facilities and local governments can use for essential services or other capital improvements. Loan recipients repay the loan with money saved on energy costs as a result of implementing energy-efficiency projects. Energy saving loans are not defined as debt and therefore does not count against debt limits or require a public vote or bond issuance.

Application Procedures

The Missouri Department of Natural Resources is making available approximately \$5 million in loan financing for qualified energy efficiency and renewable energy projects. To apply for a loan, eligible entities must submit a completed application form to the department during the open application cycle.

Applications will be accepted between July 2, 2012 and October 31, 2012. This is a competitive loan cycle. New loan agreements will be awarded by December 31, 2012.

Each applicant may apply for a loan not to exceed five hundred thousand (\$500,000). Loan applications below twenty thousand (\$20,000) will not be considered. If sufficient funds remain after review and priority ranking of applications, the department will consider awarding loans in excess of five hundred thousand dollars (\$500,000). Loans will be awarded for a repayment period not to exceed ten (10) years.

Loan funds will be allocated to eligible sectors as follows:

Public Schools (K-12): thirty percent (30%) of available funds;
City and County Governments: thirty percent (30%) of available funds;
Public and Private Higher Education Institutions: twenty percent (20%) of available funds; and
Public and Private not-for-profit Hospitals: twenty percent (20%) of available funds.

Recipients of loan financing will be determined on a competitive basis. Applications will be ranked based on the project's payback score, which will be determined by dividing the cost to implement a project by the estimated yearly energy cost savings. Projects with the lowest payback score in each sector allocation will be funded until all available funds are allocated. If all funds are not allocated in any one sector after ranking payback scores, the department may

allocate funds to other sectors. Any applicant with ongoing enforcement issues with the Department of Natural Resources will be disqualified.

Interest Rates

Loan principal plus two and one-half percent (2.5%) interest is to be repaid to the department in semi-annual payments not to exceed a ten year repayment period.

Examples of Past Projects Funded Through the Energy Revolving Fund

Since 1989, the Revolving Loan Fund has loaned nearly \$82 million throughout Missouri. The cumulative energy savings resulting from 482 loan-financed energy projects are estimated at more than \$117 million. Green House Gas reductions since FY 1997 have been one hundred twenty-seventy thousand five hundred (127,500) tons of carbon dioxide, one thousand forty-three (1,043) tons of nitrogen oxide and four hundred eighty (480) tons of sulfur dioxide.

Institution	Loan Amount	Annual Cost Savings
Hollister R-V School District	\$93,646	\$17,464
Clinton County	\$182,000	\$19,327
Fayette, City of	\$12,000	\$3,192
Truman State University	\$134,736	\$21,826
Metro St. Louis Sewer District	\$97,619	\$12,486

For More Information Contact:

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